

districts of Ganjam and Sambalpur, the answer is that nothing has been allotted to the State of Orissa. The reason being that the Government of Orissa has not sent the proposal for the selected growth centres. If they send proposals, then we will consider it. And once we approve it, we will sanction the money.

With regard to the criterion for the backward districts, I have already stated that there is a certain general criterion. It is for the State Government to select the districts and recommend. Now, the Government of Orissa had made certain proposals and the three centres selected are with the concurrence of the State Government. What I would like to emphatically say is that it is with the concurrence of the State Governments that we have taken these three centres.

[Translation]

Industrial Sickness in Orissa

*86. SHRI SRIKANTA JENA: Will the Prime Minister be pleased to state;

(a) whether industrial sickness is prevailing in Orissa on a large scale;

(b) if so, the details thereof; and

(c) the causes of this industrial sickness?

[English]

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (PROF. P.J. KURIEN): (a) to (c): A statement is laid on the Table of the House.

(a) and (b), Data of sick industrial units assisted by banks in the country are compiled by the Reserve Bank of India. As per the latest RBI data, 4,486 Units in the small scale sector and 21 units in the non-small scale sector were sick in the State of Orissa, as at the end of September, 1989.

(c) A number of causes both external

and internal are responsible for industrial sickness. The major causes, as reported by the banks related to marketing, financial, labour, management and production problems and to external factors like power shortage, depend recession and natural calamities.

SHRI SRIKANTA JENA: The question was about the industrial sickness that is prevailing in Orissa. The hon Minister has stated that upto September 1989, as per the RBI report about 4,486 units in the small scale sector and 21 units in the non-small scale sector were sick. May I know from the hon., Minister whether any study has been undertaken or any recommendations have been made by any committee. Since the sick units are more than 80 per cent in Orissa, I would like to know what are the basic reasons - genuine reasons were given for the entire country - and especially why this sickness. During the last ten years industrial sickness is prevailing in the State of Orissa. The State Government says that thousand industries have come up but really the sick units are more than eighty per cent. I would like to know whether any special study has been made or any recommendations has been made to the Government of India for its revival.

PROF. P.J. KURIEN: It is not correct to say that sick units are 80 per cent or sickness is more in Orissa as compared to other states. With regard to the question about reasons for sickness, a study has been conducted and the study reveals that there are quite a number of reasons - not one reason- for the sickness. Even for the sickness in one industry there is not one reason but there are two-three coupled reasons. I will quote some of the reasons which are identified a result of a study. Firstly there is management deficiency, secondly there is marketing problem; then you will have the project shortcomings; then you will have the infrastructural problems; then in some cases there are labour problems; then there is obsolescence in machinery. In the case of small scale industries, there is the question of delayed realisation of receivables, par-

ticularly from the large units. Then you have raw-material constraints and finally there is the capital constraint. All these reasons constitute to sickness. Not all these are responsible for the sickness in a particular unit. In a particular unit one or some of these reasons will be responsible for the sickness.

SHRI SRIKANTA JENA: If you accept these are the reasons, what are the remedies you have proposed? Secondly, IDBI through its special study by Utkal University group of professors has in their report given that the sickness was inbuilt in the project report. But political reasons come in. I would like to know whether that report has come to the Government of India or not. If that is so, what are the remedial measures you are taking?

PROF. P.J. KURIEN: I have already said that shortcomings in the project report is one of the reasons. But that is not the main reason. At present, that is only a marginally small reason. There are many other reasons which are more prominent for sickness. About the IDBI, what I said is on the basis of the study conducted by those agencies.

SHRISRIKANTAJENA: To review these units, what are the remedial measures you have taken?

PROF. KURIEN: A number of measures have been taken for the revival of the sick units. Already we have issued guidelines to the State Governments. RBI has issued guidelines to the banks. There is already a cell in the RBI which will monitor the sickness throughout the country through the information available from the banks. Banks also have been asked to have their own study cells with regard to the sickness of the industries which they finance. These banks have been advised to tackle the sickness even at the incipient stage because prevention is better than cure. Therefore, we asked them to take preventive measures. Further, out of the sick units, the large scale ones are referred to the BIFR. In Orissa 21 major sick industries have been referred to BIFR.

SHRI SRIKANTA JENA: BIFR is only a slaughter house.

PROF. P.J. KURIEN: I repeat, BIFR is an instrument to find a remedy to sickness. Members may be interested to know that out of the 21 case of Orissa referred to BIFR, they have ordered revival of five industries which have been accepted by the parties. There they have ordered for winding up. Five they have dismantled. So, BIFR is tackling this problem.

SHRI SRIKANTA JENA: How many are in the pipeline?

MR. SPEAKER: Not like this. The Minister may answer the Member's original question only.

PROF. P.J. KURIEN: We have referred the cases of sick units to BIFR. With regard to the small scale units, banks have been advised and also there is a state level committee. In that committee representatives of the State Government, representatives of the banks and the financial institutions are there. They conduct a study on case to case basis and recommend revival package for small scale sick units.

DR. DEBI PRASAD PAL: I want to ask one question. In West Bengal and particularly in Calcutta, there had been industrial growth for a long time. But, in the last several years, sickness of industries in West Bengal is well-known. Small scale industries, medium scale industries and large scale industries are becoming sick. Therefore, I want to know from the hon. minister as to whether there has been a study regarding the industrial sickness in West Bengal, and whether any initiative has been taken by the Central Government or whether any initiative has come from the West Bengal Government for the study of the industrial sickness in West Bengal. If so, I want to know the measures the Government of India is contemplating.

MR. SPEAKER: The Question Hour is over.